



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 16, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

AGREEMENT WITH GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO LLP FOR REAL ESTATE CONSULTING SERVICES (FIRST DISTRICT) (3 VOTES)

SUBJECT

This letter recommends that the Chief Executive Officer be delegated the authority to enter into an agreement with Glaser Weil Fink Jacobs Howard Avchen & Shapiro LLP for the provision of real property consultation and negotiation services for the Los Angeles Civic Center area, as needed.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Chief Executive Officer, or his designee, to enter into a sole-source agreement with Glaser Weil Fink Jacobs Howard Avchen & Shapiro LLP for the provision of real property consultation and negotiation services for the Los Angeles Civic Center area, as needed, for the period from October 16, 2012 through June 30, 2014, for a maximum not-to-exceed cost of \$155,000, upon approval by County Counsel and with notice to the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since September 2001, Mr. Richard S. Volpert has provided intermittent work advising the Chief Executive Office (CEO) on strategy for development and leasing of County owned property through a Delegated Authority Agreement (DAA) with Munger, Tolles & Olson LLP (Munger Tolles). Mr. Volpert continues to advise and assist the County on strategy and negotiations for the Grand Avenue Project and other projects in the

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downtown Los Angeles Civic Center area. In August 2011, the County worked with Mr. Volpert to craft a new agreement, rather than continuing to extend and amend the Munger Tolles DAA, incorporating various negotiated changes. Because of the unique nature of the services we received, the approved Munger Tolles DAA did not fit well into the CEO's revised standard Delegated Authority Agreement template, as discussed below.

Mr. Volpert has now decided to leave Munger Tolles and accept a position at Glaser Weil Fink Jacobs Howard Avchen & Shapiro LLP (Glaser Weil). Since Mr. Volpert has been an invaluable member of the Grand Avenue Project negotiation team, we wish to continue enlisting his services for the Grand Avenue Project. In order to continue utilizing Mr. Volpert's distinctive skills and knowledge, we need to enter into an agreement with Glaser Weil. Mr. Volpert worked with his new firm to agree to accept the provisions in the existing Munger Tolles DAA updated to reflect the firm of Glaser Weil, and County Counsel has approved the form of the new proposed agreement.

Implementation of Strategic Plan Goals

Entering into a contractual relationship with Glaser Weil for real property-related advice and negotiation supports the County's Strategic Plan, Operational Effectiveness (Goal 1) Strategy 1, Fiscal Sustainability to promote sound, prudent, and transparent short- and long-range fiscal policies and practices.

FISCAL IMPACT/FINANCING

The proposed agreement will be for \$155,000. The proposed agreement will be funded by Nondepartmental Special Accounts (NDSA) for advice regarding the Grand Avenue properties.

Funding is available in the NDSA Fiscal Year 2012-13 budgets for expenditures under this proposed agreement anticipated in the current year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

For nearly ten years, Mr. Volpert has provided advice to the CEO and acted on behalf of the CEO in negotiation of leases for various properties. Through his deep understanding of requirements and practices of private sector development, Mr. Volpert has helped the County achieve the most favorable deals that can still be commercially reasonable for the lessees. Mr. Volpert has provided invaluable advice regarding the Grand Avenue properties.

While the proposed agreement follows the CEO's general template for Delegated Authority Agreements authorized by the Board of Supervisors pursuant to Sections 23005 and 31000 of the California Government Code, the proposed agreement incorporates modifications to some of the County's standard terms and conditions, such that it requires a separate approval by the Board. The substantive changes to these terms are as follows:

- **Mutual termination for convenience:** Ordinarily, services contracts include a clause allowing the County, but not the contractor, to terminate the agreement for convenience upon ten days notice. Because of the nature of the services, the CEO believes any additional liability from inclusion of a mutual termination to be minimal.
- **Limited GAIN/GROW Consideration:** Generally, services contracts require the contractor to obtain a list of participants in the County's Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW) Programs each time they make a hiring decision. Because Glaser Weil is a large, elite law firm, they asked, and we concurred, that GAIN/GROW compliance be limited to hiring for services under the proposed agreement, based on a list provided by the County, in order to reduce potentially onerous paperwork.
- **Limited Consideration of Hiring County Employees:** Generally, services contracts require the contractor to give first consideration to any permanent County employees who are targeted for layoff or qualified, former County employees who are on a reemployment list, whenever employees are needed to perform services under the County's contract. Glaser Weil requested, and we agreed, that such consideration would be upon written notice by the County and that the definition of "first consideration" would be timely interviews and fair evaluation.
- **Indemnification:** Most services contracts require the contractor to indemnify the County against any liability and expense connected with the service performed. In lieu of County's standard language, Glaser Weil will only agree to indemnify the County against judgments against the County for Glaser Weil's negligent, acts, or omissions arising from the services it provides to the County under the agreement. We believe that the value of the services Glaser Weil provides outweighs the potential liability under this agreement.

- Termination for Default: Upon a termination of the contract for contractor's default, most services contracts allow the County to bill the contractor for any similar goods or services obtained from other sources in the future. Glaser Weil requested, and we agreed, to limit the County's ability to bill Glaser Weil for services provided by others only to the extent that the County already paid Glaser Weil for, but Glaser Weil did not fully deliver those services.
- Conflict of Interest: Glaser Weil requested, and we agreed, to the addition of a paragraph that requires the County to waive its right to assert a conflict of interest on the part of Glaser Weil in limited circumstances for conflicts that may arise in the future as a result of work done under this agreement. However, this waiver by the County would not include Glaser Weil's representation of third parties in the following circumstances: (1) the subject matter of any then current representation by Glaser Weil of County; (2) leases, development agreements, or other agreements about which Glaser Weil has provided services to the County; or (3) litigation over the real property rights of the County. With respect to all other conflict situations, Glaser Weil will agree to establish an ethical wall between professional staff who perform work for the County and those professionals who are involved in a matter that is in an actual or potential conflict to the County.

CONTRACTING PROCESS

The proposed agreement is a sole-source agreement relying on the unique skills, knowledge, and relationships that Mr. Volpert brings to the County.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board authorization for the CEO to enter into an agreement with Glaser Weil, for the services of Mr. Volpert and other staff, will allow the CEO to continue to receive the unique and important advice and negotiation services that we have received for the last decade.

The Honorable Board of Supervisors
October 16, 2012
Page 5

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office,
Capital Projects Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal flourish extending to the right.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:DJT
DKM:SVG:mda

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller